

SENATE BILL No. 417

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-25.

Synopsis: Coal combustion tax credits. Creates a tax credit for end users who purchase and use components manufactured in Indiana and composed of at least 50% coal combustion waste. Creates a tax credit for manufacturers of components composed of at least 50% coal combustion waste. Requires a taxpayer to pay at least the prevailing wage to be eligible for a tax credit.

Effective: January 1, 2003 (retroactive).

Waterman

January 21, 2003, read first time and referred to Committee on Commerce and Consumer Affairs.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 417

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-25 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2003 (RETROACTIVE)]:

4 **Chapter 25. Coal Combustion Tax Credits**

5 **Sec. 1. This chapter creates the:**

6 (1) recycled component; and

7 (2) coal combustion product;

8 tax credits.

9 **Sec. 2. As used in this chapter, "coal combustion product"**
10 **means the byproducts resulting from the combustion of coal in a**
11 **power generating plant. The term includes bottom ash, fly ash, and**
12 **scrubber sludge.**

13 **Sec. 3. As used in this chapter, "end user" means a taxpayer**
14 **that:**

15 (1) purchases and uses recycled components in a trade or
16 business; and

17 (2) pays each employee not less than the prevailing wage for



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the employee's type of work as determined by the department of workforce development.

Sec. 4. As used in this chapter, "manufacturer" means a taxpayer that:

- (1) manufactures recycled components; and
- (2) pays each employee not less than the prevailing wage for the employee's type of work as determined by the department of workforce development.

Sec. 5. As used in this chapter, a unit of materials, goods, or other tangible personal property is a "recycled component" if coal combustion products constitute at least fifty percent (50%) of the substances of which the unit is composed.

Sec. 6. An end user is entitled to a credit against the end user's state tax liability in an amount equal to the lesser of:

- (1) twenty-five percent (25%) of the amount the end user pays during the taxable year for recycled components; or
- (2) one thousand dollars (\$1,000).

If the credit amount exceeds the end user's state tax liability, the excess credit shall be refunded to the end user.

Sec. 7. A manufacturer is entitled to a credit against the manufacturer's state tax liability in an amount equal to:

- (1) twenty-five percent (25%) of the amount up to five hundred thousand dollars (\$500,000); and
- (2) fifteen percent (15%) of any additional amount up to one million dollars (\$1,000,000);

invested in a taxable year in depreciable property used in the process of manufacturing recycled components. If the credit amount exceeds the manufacturer's state tax liability, the excess credit shall be refunded to the manufacturer.

Sec. 8. To obtain a credit under this chapter, the taxpayer must file with the department information that the department determines is necessary for the calculation of the credit provided under this chapter.

Sec. 9. A taxpayer may obtain only one (1) credit under this chapter in a taxable year.

SECTION 2. An emergency is declared for this act.

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